

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 IO-10 OMB-01 TRSE-00 EB-07 AID-05 IGA-01

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L-02 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

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TO SECSTATE WASHDC 4544

INFO AMEMBASSY COPENHAGEN

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UNCLAS STOCKHOLM 2055

E.O. 11652: N/A

TAGS: EAID, SW

SUBJECT: SWEDISH RUKSDAG DEBATES AND VOTES FY 1976 AID BUDGET

REF: STOCKHOLM A-23

SUMMARY. AFTER DAY-LONG DEBATE ON AID POLICY APRIL 23, SWEDISH RIKSDAG APPROVED AID BUDGET OF SKR 2.9 BILLION (US 721 MILLION AT CURRENT EXCHANGE RATE) FOR FY 1976. AFTER TIE VOTE, RIKSDAG DECIDED BY LOTTERY TO AUTHORIZE GOVERNMENT TO ENTER BILATERAL AID COMMITMENTS FOR UP TO FIVE YEARS' DURATION AND NOT EXCEEDING ALTOGETHER SKR 7 BILLION IN VALUE, WITHOUT PRIOR CONSULTATION WITH RIKSDAG. DURING AID DEBATE, BUOURGEOIS OPPOSITION PARTIES REPEATED CHARGE THAT AID PROGRAM IS TILTED IN FAVOR OF COMMUNIST DICTATORSHIPS. AID MINISTER GETRUD SIGURDSEN PRESENTED GOVERNMENT POSITION ON MAJOR AID ISSUES AND INDICATED DISPOSITION OF GOVERNMENT TO INCREASE ASSISTANCE TO INDOCHINA AS DEVELOPMENTS THERE REQUIRE. END SUMMARY.

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1. RIKSDAG APPROVED APRIL 23 GOVERNMENT'S REQUEST FOR SKR 2.86 BILLION IN AID FUNDS FOR FY 1976. SUM REPRESENTS INCREASE OF 760 MILLION OVER FY 1975 AID BUDGET AND WILL RAISE VALUE OF SWEDISH AID TO ONE PERCENT OF GNP. NO PARTY QUESTIONED PROVISION OF AID; ISSUES WERE HOW MUCH, WHEN, AND TO WHOM. FOR BREAKDOWN OF AID BUDGET, SEE REFAIR.

2. GOVERNMENT AUTHORIZED TO ENTER LONG-TERM AGREEMENTS. RIKSDAG BY LOTTERY - BREAKING EVEN SPLIT IN VOTES - BACKED GOVERNMENTS CLAIM TO CONSTITUTIONAL AUTHORITY TO ENTER INTO BILATERAL AID AGREEMENTS FOR UP TO FIVE YEARS' DURATION. MODERATES, JOINED BY CENTER AND LIBERAL PARTIES, ALL OF WHICH HAVE QUESTIONED NORTH VIETNAM PROJECT, TRIED TO FORCE GOVERNMENT TO SUBMIT TO RIKSDAG FOR APPROVAL ALL MAJOR INCREASES OF SWEDISH AID TO INDIVIDUAL COUNTRIES.

3. SIGURDSEN DEFENDS CHOICE OF AID RECIPIENTS. TAKING THEIR USUAL POSITION, MODERATE AND CENTER PARTY SPOKESMAN CRITICIZED GOVERNMENT'S CHOICE OF CERTAIN AID RECIPIENTS. TORSTEN BENGTSO (C), FIRST VICE SPEAKER, URGED THAT AID BE GIVEN ONLY TO POOREST COUNTRIES, NO MATTER KIND OF REGIME GOVERNING THEM. ALLAN HERNELIUS (M) WANTED DISCONTINUE AID TO CUBA, A COUNTRY, HE SAID, FAVORED BY NATURE, GETTING HUGE CONTRIBUTIONS FROM USSR, AND BENEFITING FROM RISE IN SUGAR PRICES THAT EXCEEDED PROPORTIONATELY THE RISE IN OIL PRICES.

4. AID MINISTER GERTRUD SIGURDSEN REGARDED PRECISELY THIS ISSUE OF DIVISION OF AID RESOURCES AMONG LDCS AS CENTRAL PROBLEM OF AID DEBATE. POSSIBILITY OF SWEDISH AID REACHING POOR IN LDCS, SHE MAINTAINED, DEPENDED ON POLICIES OF RECIPIENT GOVERNMENTS. ARGUING FOR CONCEPT OF SWEDISH AID "SOLIDARITY" WITH LDCS, SHE SAID SWEDISH COOPERATION WITH PARTICULAR COUNTRIES MUST BE BASED ON FUNDAMENTAL AGREEMENT ON DEVELOPMENT GOALS. SIGURDSEN SUPPORTED PRINCIPLE THAT LDCS BE ALLOWED TO DECIDE DIRECTION OF DEVELOPMENT ASSISTANCE.

5. DEVELOPMENTS IN INDOCHINA, SIGURDSEN SAID, WILL INFLUENCE BOTH SWEDISH LONG-TERM AID PLANNING AND DISPOSITION OF CATASTROPHE FUNDS IN COMING BUDGET YEAR. SHE URGED THAT SWEDEN BE READY TO GIVE CONSIDERABLE AID TO PEOPLE OF INDO-

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CHINA, "AS A NATURAL CONSEQUENCE OF LONG SWEDISH SUPPORT FOR EFFORTS TOWARD SOCIAL JUSTICE AND INDEPENDENCE".

6. INGA THORSSON, GADFLY. AMBASSADOR INGA THORSSON (S), MFA STATE SECRETARY, REPEATED HER VIEW THAT MULTILATERAL AID PROGRAMS HAVE ADVANTAGES OVER BILATERAL ONES. DAY IS COMING, SHE HOPED, WHEN RESOURCES WOULD BE TRANSFERRED TO LDCS BY A KIND OF INTERNATIONAL TAXATION RATHER THAN THROUGH

"HUMILIATING" BILATERAL PROGRAMS.

7. THORSSON ASKED WHAT SIGURDSEN MEANT IN SPEAKING OF SWEDEN'S AID "SOLIDARITY" WITH LDCS. SWEDEN WILL HAVE TO SHOW IN ACTION WHAT POLITICAL WILL IT HAS IN THIS AREA. HER PERSONAL CONVICTION WAS THAT GROWING CONSCIOUSNESS IN SWEDEN OF GLOBAL REALITY WOULD LEAD TO CHANGES IN SWEDISH FOREIGN POLICY AND HABITS OF CONSUMPTION. NAKED TRUTH IS THAT WITHOUT RATHER PROFOUND CHANGES IN CONSUMPTION HABITS OF RICH COUNTRIES, GLOBAL COOPERATION IS HUMBUG, SHE DECLARED. MORE AND MORE PEOPLE ARE PREPARED ACCEPT SUCH CHANGES. DYNAMIC PROCESS HAS STARTED AND SWEDEN SHOULD TAKE UP ITS PART.

8. COMMENT: AFFIRMATION OF GOVERNMENT'S AUTHORITY TO MAKE LONG-TERM AID AGREEMENTS IS NOT AS SWEEPING AS IT SEEMS AT FIRST GLANCE. SKR 7 BILLION LIMITATION ON TOTAL OF SUCH AGREEMENTS IN ANY FIVE-YEAR PERIOD LIMITS FUNDS AVAILABLE FOR THIS PURPOSE TO WELL UNDER HALF OF AID MONEY LIKELY TO BE APPROPRIATED, IF WE ASSUME SWEDEN WILL CONTINUE TO MEET ONE-PERCENT AID GOAL. STRAUZ-HUPE

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